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Federal Communications Commission
Consumer & Governmental Affairs Bureau
Washington, D.C. 20554

03-123/
98-67
CGB

August 2, 2004

Control No. 0402125-Pol

The Honorable John Ensign
United States Senate
364 Russell Senate Office Building
Washington, D.C. 20510-2805

Dear Senator Ensign:

Thank you for your letter of July 1, 2004, on behalf of your constituent, Ms. Debra Salo, expressing her concerns regarding the compensation rate for Video Relay Service (VRS), a form of telecommunications relay service (TRS).

Ms. Salo asks that the Federal Communications Commission (Commission or FCC), not further reduce the VRS compensation rate until VRS becomes available 24 hours per day, 7 days per week, with high quality services and accessibility. She also asks the Congress to overturn the FCC's decision refusing reimbursement for Video Mail.

As an initial matter, the rate for compensating VRS providers is not dependent on whether the service is offered on a 24/7 basis or vice versa. Since VRS is not a mandatory form of TRS, there is no requirement that it be offered on a 24/7 basis. However, there is nothing to prevent VRS providers from offering the service on a 24/7 basis. TRS providers are currently operating under waivers of that rule so that they do not have to provide the service on a 24/7 basis, but may still be compensated from the Interstate TRS Fund (the Fund).

We also note that, as a practical matter, the Commission neither "raises" nor "reduces" the TRS compensation rates, but adopts them on an annual basis, based on projected cost and usage data submitted by the providers. This data is submitted to the National Exchange Carrier Association (NECA), which is the TRS Fund administrator. Each year, NECA reviews these submissions and recommends a compensation rate to the Commission. For the July 2004 to June 2005 Fund year, NECA submitted a proposed VRS compensation rate of \$7.293 per minute. On June 30, 2004, the Bureau issued an Order (DA 04-1999) approving NECA's proposed rate, subject to adjustments discussed in the Bureau's Order. A copy of that Order (DA 04-1999) is enclosed.

We note that VRS continues to grow rapidly in popularity, despite the fact it is not available on a 24/7 basis. In fact, although VRS has been available only for the past two and a half years, and in the past year alone the use of VRS has increased from 211,529 minutes in June 2003, to 733,040 minutes in May 2004. We also note that we are continuing to raise and address new issues as provision of this important service evolves. On June 30, 2004, the Commission released an order that included a Further Notice of Proposed Rulemaking (FNPRM), in CG No. 03-123 (FCC 04-137), seeking comment on various matters

concerning, *inter alia*, VRS. Specifically, with regard to VRS, the FNPRM seeks comment on the appropriate cost recovery methodology for VRS; whether the Commission should adopt jurisdictional separation of costs for VRS so that all VRS costs are not reimbursed from the federal Interstate TRS Fund; whether VRS should become a mandatory form of TRS; whether VRS should be required to be offered 7 days a week, 24 hours a day; and whether a "speed of answer" rule should be applied to the provision of VRS. A copy of the Report & Order, Order on Reconsideration and Further Notice of Proposed Rule Making that was released by the Commission on June 30, 2004, is also enclosed.

With regards to Ms. Salo's request that Congress overturn the "FCC's decision refusing reimbursement for video mail," the Commission has made no such determination. In fact, we note that a Public Notice (CG Docket 03-123, DA 04-2062) was released on July 9, 2004, seeking comment on whether the provision of Video VRS Mail to deaf and hard of hearing persons is eligible for compensation from the Interstate TRS Fund. After we review all of the comments on this issue, we will address the matter.

To the extent Ms. Salo has concerns about the provision of VRS, we encourage her to actively participate in proceedings before the Commission to ensure that her opinions are expressed and considered fully. The Commission has available an e-mail service designed to apprise consumers about developments at the Commission, to disseminate consumer information materials prepared by the Commission to a wide audience, and to invite comments from other parties on Commission regulatory proposals. This free service enables consumers to subscribe and receive FCC fact sheets, consumer brochures and alerts, and public notices, among other consumer information. To subscribe, an individual should send an e-mail to subscribe@info.fcc.gov and, in either the subject line or the message insert: "subscribe fcc-consumer-info first name last name" (e.g., "subscribe fcc-consumer-info John Doe").

We also invite Ms. Salo to visit the Consumer & Governmental Affairs Bureau's Internet web site at <http://www.fcc.gov/cgb> or the Commission's Home Page located at <http://www.fcc.gov>.

We have placed a copy of Ms. Salo's correspondence in the public record for this proceeding. We appreciate your inquiry. Please do not hesitate to contact us if you have further questions.

Sincerely,



K. Dane Snowden

Chief

Consumer & Governmental Affairs Bureau

Enclosures

JOHN ENSIGN
NEVADA

COMMITTEES:
ARMED SERVICES
COMMERCE, SCIENCE, AND
TRANSPORTATION
HEALTH, EDUCATION, LABOR,
AND PENSIONS
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ENTREPRENEURSHIP
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United States Senate
WASHINGTON, DC 20510-2805

July 1, 2004

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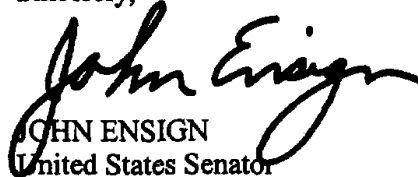
Dear Ms. Atkinson:

I have received the enclosed correspondence from a constituent, Debra Salo, regarding Video Relay Services (VRS). Ms. Salo is concerned about reductions in the rate of reimbursement for VRS.

Due to the desire of my office to be responsive to all inquiries, your consideration of the enclosed correspondence will be greatly appreciated. Please reply directly to Ms. Salo, and forward a copy of that response to me, marked to the attention of Matthew McCullough in my Washington office.

Thank you in advance for your assistance with this matter.

Sincerely,


JOHN ENSIGN
United States Senator

JE/jmm

Enclosure

7 JUL 2004 RCVD

CCB
Dis-Policy
2/25

iawrmmsg.txt
Capitol Correspond
Incoming Email Message

Constituent ID: 150173

Ms. Debra Salo
5264 Nevada Avenue
Las Vegas, NV 89122

Activity Created: 6/21/04
Activity ID: 167226
Interest Code(s): e-edu,

Incoming Message:

Subject Desc: Education

Date Received: 6/18/2004 3:20:24 PM

Debra Salo
5264 Nevada Avenue
Las Vegas, NV 89122

June 18, 2004

The Honorable John Ensign
United States Senate
364 Russell Senate Office Building
Washington, D.C. 20510-2805

Senator Ensign:

Video Relay Services (VRS) is wonderful to use. I want to see it become an important real-time communication service. The VRS is for me closer to functional equivalency than other telecommunications services. Please do not allow the FCC to further reduce the VRS rate of reimbursement until it becomes available 24/7 with high quality services and accessibility. Please also overturn the FCC's decision refusing reimbursement for video mail.

Sincerely,

Debra Salo